



**REPORT OF AUDITOR'S TO MEMBERS  
COMPUTER SOCIETY OF INDIA  
(VISAKHAPATNAM CHAPTER)**

**INDEPENDENT AUDITORS' REPORT**

**Report on the Financial Statements**

We have audited the accompanying financial statements of VISAKHAPATNAM Chapter of Computer Society of India, which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Income and expenditure for the year then ended, and a summary of the significant accounting policies and other explanatory information.

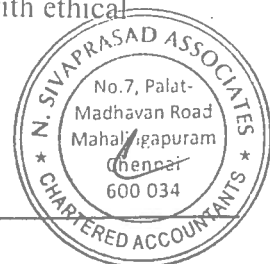
**Management's Responsibility for the Financial Statements**

The Chapter's Management Committee is responsible with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Chapter in accordance with the accounting principles generally accepted in India, including the Accounting Standards as prescribed by the Institute of Chartered Accountants of India (ICAI). This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Chapter and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the applicable and relevant Acts, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the said Acts and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical





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requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers Internal financial control relevant to the Chapter of the society's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the chapter has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management Committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Basis for Qualified opinion:**

*We draw attention to note No. 7 regarding the change made in accounting policy for chapter share. Due to the this change the chapter share has been excessively accounted by a sum of Rs. 1,10,312/- Due to this change the chapter deficit of expenditure over income has been under stated by Rs.1,10,312/- and receivables in current assets are overstated by the said amount.*

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair





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COMPUTER SOCIETY OF INDIA  
(VISAKHAPATNAM CHAPTER)**

**INDEPENDENT AUDITORS' REPORT**

view in conformity with the accounting principles generally accepted in India; of the state of the chapter as at 31<sup>st</sup> March 2015, and its deficit for the year ended on that date.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; of the state of the chapter as at 31<sup>st</sup> March 2015, and its deficit for the year ended on that date.

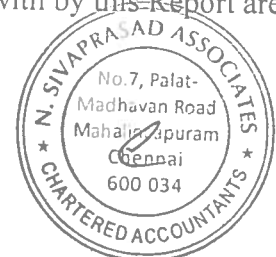
**Emphasis of Matters**

- 1. In the absence of Income and expenditure for each Technical Seminar, surplus or deficit of each seminar could not be arrived by the chapter.*
- 2. The Chapter has not provided Management Committee approval for the disposal of furniture and fixtures amounting to Rs. 96,952/-. It appears that the approval for the same from the National office Bearers through Regional Vice president has not been obtained even though chapter management committee has approved the same.*

**Report on other Legal and Regulatory Requirements**

We further report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the chapter so far as appears from our examination of those books.
- c) The Balance Sheet and the Statement of Income and Expenditure, dealt with by this Report are in agreement with the books of account.





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COMPUTER SOCIETY OF INDIA  
(VISAKHAPATNAM CHAPTER)**

**INDEPENDENT AUDITORS' REPORT**

d) In our opinion, except for the effects of the matter described in the "Basis for Qualification" paragraph and Emphasis of Matters paragraph, the aforesaid financial statement comply with the Accounting Standards specified by the Institute of Chartered Accountants of India (ICAI) to the extent mentioned in the notes forming part of the accounts.

Place: CHENNAI

Date: 24/12/15

For N.SIVAPRASAD ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 03885 S

  
(N. SIVA PRASAD)  
PARTNER  
M. No. 013055



**COMPUTER SOCIETY OF INDIA  
(VISHAKAPATNAM CHAPTER)  
BALANCE SHEET AS AT 31ST MARCH 2015**

PREVIOUS YEAR (Rs.)	LIABILITES	CURRENT YEAR (Rs.)
	<b>1. Funds</b>	
4,679,869.50	a. General Fund/Income & Expenditure A/c	
259,187.29	Opening Balance	4,939,056.79
	Add : Surplus - excess of income over exp.	-
	Less: Deficit - excess of exp. over income	571,990.62
4,939,056.79		4,367,066.17
-	b. Building Fund	-
-	c. Library Fund	-
-	d. Other Funds (Corpus Fund)	-
		4,367,066.17
	<b>2. Loans &amp; Advances</b>	
-	a. Loan from HQ for acquiring Building Premises	-
-	b. Other loans from HQ	1,000.00
12,498.00	c. Advance received from Treasurer	-
-	d. Membership subscription and life membership payable to HQ	-
-	e. Other loans	-
	<b>3. Current liabilities &amp; Provisions</b>	
-	a. Sundry Creditors	-
-	for expenses (Expenses payable audit fee)	-
-	for others (Capital Goods)	-
12,667.00	b. Provision for expenses- Student chapter share to Bheemavaram college.	-
-	c. Provision for other liabilities	-
180,000.00	d. Security/other Deposits Received	-
85,615.00	e. Lecture/Programme Outstanding Exp.	-
-	f. Library Deposits (Caution Money)	-
<b>5,229,836.79</b>	<b>TOTAL</b>	<b>4,368,066.17</b>

Place: VISAKHAPATNAM

Date : 15/12/15

TREASURER

15/12/15

SECRETARY

CHAIRMAN

As Per our report of even date  
For N. SIVA PRASAD ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN : 03885 S

Place: CHENNAI

Date : 24/10/15

N. SIVA PRASAD  
PARTNER

M. NOO13055



**COMPUTER SOCIETY OF INDIA  
(VISHAKAPATNAM CHAPTER)  
BALANCE SHEET AS AT 31ST MARCH 2015**

PREVIOUS YEAR (Rs.)	ASSETS	CURRENT YEAR (Rs.)
997,250.09	<b>1. Fixed Assets</b> Net Block - Schedule - A (Written down value as on 31-03-2015)	845,049.47
-	<b>2. Investment in Fixed Deposits with Public Sector Companies</b>	-
	<b>3. Current Assets, Loan &amp; Advances</b>	
	<b>A. Current Assets</b>	
-	a. Fixed Deposit with Syndicate Bank Siddhartha Nagar, Vijayawada- 10.	-
-	b. Sundry Debtors - unsecured considered good	-
739.00	c. Cash & cheques in hand	739.00
-	d. Balance with Scheduled Banks	
	In Current Account	-
686,803.40	In Saving Account (Schedule B)	1,575,397.70
1,958,370.61	In Fixed Deposit	-
		1,576,136.70
	<b>B. Loans &amp; Advances - Unsecured considered good</b>	
31,150.00	a. Rent receivable	-
24,710.00	b. Electricity Deposit	24,710.00
364,917.00	c. TDS Receivable	364,917.00
416,245.00	d. Sponsorship and fee receivable	1,443,478.00
-	e. Membership share receivable	110,312.00
3,463.00	f. Prepaid expenses	3,463.00
746,188.69	g. Interest Accrued on Fixed Deposit	-
<b>5,229,836.79</b>	<b>TOTAL</b>	<b>4,368,066.17</b>

Place: VISHAKAPATNAM

Date: 15/12/15



TREASURER

15/12/15



SECRETARY



CHAIRMAN

As Per our report of even date

For N. SIVA PRASAD ASSOCIATES

CHARTERED ACCOUNTANTS

FRN : 03885 S

Place: CHENNAI

Date: 24/12/15



N. SIVA PRASAD

PARTNER

M. NO. 013055



**COMPUTER SOCIETY OF INDIA  
(VISHAKAPATNAM CHAPTER)  
STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2015**

PREVIOUS YEAR (Rs.)	INCOME	CURRENT YEAR (Rs.)
	<b>Course in advance Technical Areas</b>	
-	1. Courses	-
-	2. Examination	-
-	3. Competitions	-
	<b>Conferences concerned with Development of Technology &amp; Education</b>	
-	1. Technical Seminars/Events	1,581,488.00
-	2. Technical Lectures	-
-	3. Stundet Activity	128,000.00
-	4. Exhibitions - IT Exhibitions	-
-	5. Global IT Projects - Registration fee	-
		1,709,488.00
-	Membership share from Head Office (Chapter Share)	110,312.00
-	Advertisement Communications/Presentation Fees	-
	<b>Bank Interest</b>	
239,174.80	1. On Fixed Deposits with Banks	340,359.00
16,124.00	2. On Savings Account with Banks	11,276.00
		351,635.00
-	Income from investment - Gross (I.e. interest on deposits with PS Companies)	-
-	<b>Grants/Sponsorships</b>	
-	Grant Received/ Sponsorships	-
-	Miscellaneous Income - Net of last year payables and receivables written off	115,794.00
415,332.00	Rent received from flat	148,850.00
-	Deficit being excess of expenditure over income Transferred to Balance Sheet	571,990.62
<b>670,630.80</b>	<b>TOTAL</b>	<b>3,008,069.62</b>

Place: VISHAKAPATNAM

Date: 15.12.15

TREASURER  
15/12/15

SECRETARY

CHAIRMAN

As Per our report of even date  
For N. SIVA PRASAD ASSOCIATES  
CHARTERED ACCOUNTANTS  
ERN : 03885 S

N. SIVA PRASAD  
PARTNER  
M. NO. 013055

Place: CHENNAI

Date: 24/12/15



**COMPUTER SOCIETY OF INDIA  
(VISHAKAPATNAM CHAPTER)  
STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2015**

PREVIOUS YEAR (Rs.)	EXPENDITURE	CURRENT YEAR (Rs.)
	<b>Course/examinations</b>	
-	1. Courses Material	-
-	2. Examinations	-
-	3. Competitions	-
	Conferences concerned with Development of Technology & Education	
341,271.00	1. Technical Seminars/Events/Activities (Details as per Schedule 'C')	2,458,982.00
-	2. Technical Lectures	-
-	3. Exhibitions - I.T. Exhibition 2006	-
-	3. Student Activities/ Global IT projects	2,458,982.00
450.00	Books Publications (Newsletter expenses)	-
-	Establishment	-
10,936.00	Administration (Details as per Schedule 'D')	396,887.00
-	Loss on sale of Fixed Assets	96,951.90
-		
58,786.51	Depreciation on Fixed Assets	55,248.72
259,187.29	Transferred to Balance Sheet	-
<b>670,630.80</b>	<b>TOTAL</b>	<b>3,008,069.62</b>

Place: VISHAKAPATNAM

Date: 15-12-15

TREASURER

SECRETARY

CHAIRMAN

As Per our report of even date  
For N. SIVA PRASAD ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN : 03885 S

Place: CHENNAI

Date: 24/12/15

N. SIVA PRASAD  
PARTNER  
M. NO. 013055





**COMPUTER SOCIETY OF INDIA  
(VISHAKAPATNAM CHAPTER)**

ACCOUNTING YEAR ENDING 31ST MARCH 2015

**SCHEDULE - A**

No.	PARTICULARS	Gross Block			Depreciation		Gross Block after depreciation	Written off during the year	Net Block
		As on 01.04.2014	Additions	As on 31.03.2015	Dep Rate %	Depreciation	As on 31.3.2015		
1	Flat at Dwarkanagar	889,525.76	-	889,525.76	5.00	44,476.29	845,049.47	0	845,049.47
2	Furnitures & Fixtures	107,724.33	-	107,724.33	10.00	10,772.43	96,951.90	96951.9	-
		997,250.09		997,250.09	10.00	55,248.72	942,001.37	96951.9	845,049.47

Note : All the furnitures and fixtures were in the nature of interior decorations made to the flat. When the tenant has vacated the premises as at the end of the last year and all the interiors made got damaged and hence have been written off as could not be salvaged and sold. The Chapter management committee has approved the write off. Refer to flat committee report dated 20-10-2015 in this regard.

COMPUTER SOCIETY OF INDIA  
(VISHAKAPATNAM CHAPTER)

ANNEXURE TO BALANCE SHEET  
FOR THE YEAR ENDED 31ST MARCH 2015

Schedule B-

PREVIOUS YEAR Rs.	PARTICULARS	CURRENT YEAR Rs.
	<b><u>Annexure I</u></b> <b><u>Balance with Scheduled Bank - SB A/c</u></b>	
1,203.70	Andhra Bank A/c No.00014607	-
685,599.70	State Bank of Hyderabad A/c No.52048942270	965,421.70
-	State Bank of India A/c No.34349312570	609,976.00
686,803.40		1,575,397.70

**TECHINAL SEMINARS/EVENTS/ACTIVITIES/COURSES/ PROGRAMME EXPENSES (SCHEDULE C)**

<b>PREVIOUS YEAR (Rs.)</b>	<b>PARTICULARS</b>	<b>CURRENT YEAR (Rs.)</b>
3,000.00	Accounts Preperation	-
106,395.00	AGM Expenditure	-
153,190.00	AGM Gifts	-
8,160.00	Conveyance (AGM)	-
1,000.00	Tips (AGM)	-
3,250.00	Food Expenses	-
36,950.00	Programme Expenses	-
6,806.00	Programme Expenses - CSI Anniversary	-
2,520.00	Reward	-
20,000.00	Toppers Reward	-
-	Technical and Seminar Expenses	2,458,982.00
<b>341,271.00</b>	<b>TOTAL</b>	<b>2,458,982.00</b>

**ADMINISTRATIVE EXPENSES  
ACCOUNTING YEAR ENDING 31ST MARCH 2015  
SCHEDULE - D**

<b>PREVIOUS YEAR (Rs.)</b>	<b>PARTICULARS</b>	<b>CURRENT YEAR (Rs.)</b>
6,500.00	Printing & Stationery	82,051.00
1,300.00	Conveyance Reimbursement	245,574.00
250.00	Postage, Courier & Telegram	275.00
-	Non- operative bank account written off	1,203.70
-	FD interest reversed due to preclosure of deposits.	64,524.30
2,886.00	Bank Charges	3,259.00
<b>10,936.00</b>	<b>TOTAL</b>	<b>396,887.00</b>

**COMPUTER SOCIETY OF INDIA,  
VISHKHAPATNAM CHAPTER**

**NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR  
ENDED 31<sup>ST</sup> MARCH, 2015**

1. Financial statements have been prepared on historical cost basis as per normally accepted accounting principles and conventions.
2. Income and Expenditure has been recognized on accrual basis.
3. Assets are carried on the basis of closing written down value and no historical cost details exist.
4. Previous year's figures are re-grouped wherever necessary to facilitate comparison.
5. Depreciation has been provided according to the rates prescribed under Income tax Act 1961.
6. No provision for Audit fee has been made in the chapter accounts as the same is to be paid by the Head office.
7. The Chapter share accrues to the Chapter only when Head office finalizes the same based on various criteria and passes on such payment. Chapter share received from Head office indicates years for which the amount is received separately in the communication. As the accrual to the Chapter arises when the payment authorization is communicated or when the cheque for such payment is made and sent to the chapter. Thus the same is accounted in such year in which the accrual takes place. This method has been followed by the chapter up to the year ending 31<sup>st</sup> March 2014. But during the year the chapter has changed its accounting method employed for chapter share. During this year the chapter has accounted the chapter share based on its eligibility calculation of its share from out of Life membership fee. Due to this change though no communication is received from the Head Office a chapter share of Rs.1,10,312/- has been accounted in the chapter books as its share and the same is shown as receivable.
8. The Tax deducted at source includes balances brought down amounting to Rs.3,64,917/-. During this year the TDS deducted by the bank have been taken care by the head office and hence no TDS have been accounted by the Chapter.
9. In the absence of opening balances from very long period the Chapter is not able to maintain fixed assets register as required by the Head Office accounting manual. In any case physical verification of the fixed assets is being done once in every year and if any discrepancies are found they will be appropriately dealt with in the accounts. This year the interior decorations done to the flat were written off as the same was found to be damaged when the tenant vacated the same. The same could not be salvaged and sold and hence the amount left after providing for the depreciation for the current is written off as impairment

**COMPUTER SOCIETY OF INDIA,  
VISHKHAPATNAM CHAPTER**

**NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR  
ENDED 31<sup>ST</sup> MARCH, 2015**

Loss and the same is written off in the furniture and fixtures account by bringing the balance to Nil.

10. Service tax collected and paid on taxable services is dealt with Head Quarters and hence no provision for liability for service tax, interest thereon, and penalty on the same, if any, is made in the accounts or no provision is made at this chapter level. The service tax collected is shown in the liabilities side under duties and taxes.

11. The chapter has to have only one SB account with State Bank of India as per the HQ Instructions, but the chapter maintain one more SB account with State Bank of Hyderabad, having the closing balance of Rs. 965421.70/- as per books of accounts and as per bank statements the balance is Rs. 13, 96,800.70/- and the same have been reconciled.


12. Due to pre-closure of fixed deposits the interest rate has been readjusted and brought down taking in to account the period for which the deposits were pending and pre-closure charges are also charged. Thus the accrued interest provided for till last year has come down and the excess of interest accounted till last year has been written off in this year and is taken as administrative expenses. This amount so charged to current year administrative expenses is Rs. 64,524.30/- Similarly the balance in Andhra Bank account amounting to Rs.1,203.70/- is also written off as administrative expense as the balance could not be collected due to the account becoming non-operative for a long period.

13. In the absence of ledger creation in cloud computing income and expenditure of each Seminar/Technical activities could not be provided as required by Head Office proforma for the accounts.

14. The Chapter though obtained approval for the disposal of Furniture and fixture amounting to Rs.96, 952/-. From Chapter's Management Committee it has not obtained such permission as required from the National office Bearers through Regional Vice president.

For Computer Society of India, Chapter.

  
TREASURER

  
SECRETARY

  
CHAIRMAN

PLACE: VISHKHAPATNAM

DATE: 15.12.15